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SECURITIES AND

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

OMB APPROVAL	
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8-66746

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2011 AND ENDING 12/31/2011  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: NAFA Capital Markets, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

100 North Broadway, Suite 2550

OFFICIAL USE ONLY
FIRM I.D. NO.

Oklahoma City

(No. and Street)

Oklahoma

73102

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John E. Fryrear

405-272-9290

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

James Dee Johnson & Company Certified Public Accountants PC

(Name - if individual, state last, first, middle name)

3608 NW 58th Street

Oklahoma City

Oklahoma

73112

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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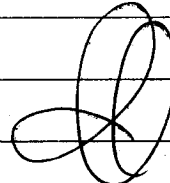
## OATH OR AFFIRMATION

I, John E. Fryrear, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NAFA Capital Markets, LLC, as of December 31, 2011, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

John E. Fryrear A/C#5BL05043 Value as of Dec 31, 2011 \$4,967.94

State of Oklahoma  
County of Oklahoma

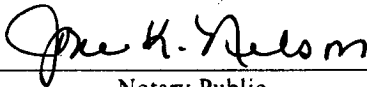
Signed before me on February 21, 2012  
by John E. Fryrear



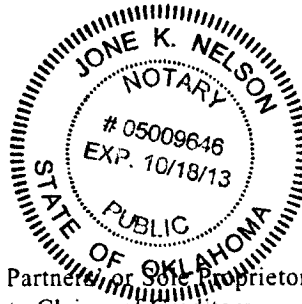
Signature

John E. Fryrear, President

Title



Notary Public



This report \*\* contains (check all applicable boxes):

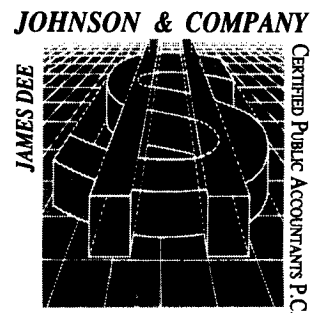
- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**NAFA Capital Markets, L.L.C**

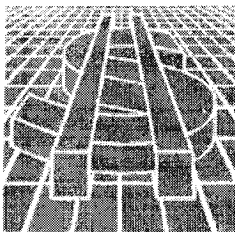
**Financial Statements  
and  
Independent Auditors' Report**

**December 31, 2011**



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*James Dee  
Johnson & Company*  
*Certified Public Accountants PC*

3608 NW 58th Street Oklahoma City, Oklahoma 73112  
voice 405.943.1272 fax 405.943.1315 email [taxquestions@jdjcpa.net](mailto:taxquestions@jdjcpa.net)

**INDEPENDENT AUDITORS' REPORT**

To the Manager  
NAFA Capital Markets, L.L.C.

We have audited the accompanying statement of financial condition of NAFA Capital Markets, L.L.C. as of December 31, 2011 and the related statements of operations, changes in members' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAFA Capital Markets, L.L.C. as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*James Dee Johnson & Company*

Oklahoma City, Oklahoma  
February 23, 2012

NAFA Capital Markets, LLC  
Statement of Financial Condition  
As of December 31, 2011

Assets

Cash in Bank and Brokerage	\$ 58,422
Deposits with clearing organizations and others (cash)	103,964
Receivables from broker-dealers and others	156,065
Prepaid expenses	5,091
Other assets	3,415
Furniture, equipment and leasehold improvements at cost, less accumulated depreciation of \$63,549	20,260
<b>TOTAL ASSETS</b>	<b><u>\$ 347,217</u></b>

Liabilities and Members' Equity

Accounts payable, accrued expenses and other liabilities	\$ 13,374
Commitments	0
Members' Equity	333,843
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b><u>\$ 347,217</u></b>

The accompanying notes are an integral part of this financial statement.

NAFA Capital Markets, LLC  
Statement of Operations  
For the Year Ended December 31, 2011

Revenue	
Commissions	\$ 1,553,871
Total Income	<u>1,553,871</u>
Expenses	
Employee compensation, commissions and benefits	1,270,774
Brokerage and clearing fees	73,159
Occupancy	45,360
Communications and data processing	35,522
Office expense	143,073
Depreciation	7,171
Total operating expenses	<u>1,575,059</u>
Net Income	<u>\$ (21,188)</u>

The accompanying notes are an integral part of this financial statement.

NAFA Capital Markets, LLC  
Statement of Changes in Members' Equity  
For the Year Ended December 31, 2011

Members' Equity beginning of year	\$ 355,031
Member distributions	0
Net income	<u>\$ (21,188)</u>
Members' Equity end of year	<u><u>\$ 333,843</u></u>

The accompanying notes are an integral part of this financial statement.



NAFA Capital Markets, LLC  
Statement of Changes in Liabilities Subordinated to Claims of Creditors  
For the Year Ended December 31, 2011

Subordinated borrowings at beginning of year	\$0.00
Changes	<u>0.00</u>
Subordinated borrowings at end of year	<u><u>\$0.00</u></u>

The accompanying notes are an integral part of this financial statement.

NAFA Capital Markets, LLC  
Statement of Cash Flows  
For the Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)		\$ (21,188)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	7,171	
Loss on sale of assets	167	
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(20,134)	
Deposits with clearing organizations	(344)	
Prepaid Expenses	431	
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	609	
Accrued Liabilities	0	
Total Adjustments		(12,100)
Net Cash Provided By (Used in) Operating Activities		(33,288)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital Expenditures	(3,522)	
Net Cash Provided By (Used In) Investing Activities		(3,522)

CASH FLOWS FROM FINANCING ACTIVITIES

Distributions to Members Paid	0	
Proceeds From Sale of Stock	0	
Net Cash Provided By (Used In) Financing Activities		0

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(36,810)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

95,232

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 58,422

Interest paid during the year

\$0

The accompanying notes are an integral part of this financial statement.

# **NAFA Capital Markets, LLC**

## **Notes to Financial Statements December 31, 2011**

### **1. Date of Management Review**

Management has evaluated subsequent events through February 23, 2012, the date on which the financial statements were available to be issued.

### **2. Organization and Nature of Business**

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) operating under SEC Rule 15c3-3(k)(2)(ii) which provides that all the funds and securities belonging to the Company's customers would be handled by a clearing broker-dealer. In accordance with the provisions of this rule, the Company executes all of its customers' transactions on a fully-disclosed basis, through an unaffiliated clearing broker-dealer which carries the accounts and securities of the company's customers.

### **3. Significant Accounting Policies**

#### **Basis of Presentation**

The financial statements include the accounts of the Company. The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions and agency transactions.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

#### **Securities Transactions**

Profit and loss arising from all securities transactions entered into for the account and risk of the Company are determined using the specific identification method and are recorded on a settlement date basis.

Customer's securities transactions are reported on a settlement date basis with related commission income and expenses reported on a settlement date basis. The amounts recorded for commission and income and expense for customers' securities transactions approximate the amounts that would be recorded on a trade date basis.

Marketable securities (level 1 assets - assets trading on active markets) are valued at market value, and securities not readily marketable (level 2 assets) are valued at fair

# **NAFA Capital Markets, LLC**

## **Notes to Financial Statements**

**December 31, 2011**

value as determined by management applying the guidelines under FASB ASC 820 formerly known as FASB 157. Currently the Company has no securities.

### **Income Taxes**

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the financial statements

### **Depreciation**

Depreciation is provided on an accelerated method of depreciation basis using estimated useful lives of three to seven years. Leasehold improvements are amortized on a straight-line method over a 10 year life.

### **Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

#### **4. Postretirement Benefit Plans**

The Company does not provide health and life insurance benefits to retired employees.

#### **5. Financial Instruments**

##### **Accounting Policies**

The financial instruments of the Company are reported in the statement of financial condition at market or fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments.

##### **Financial Instruments With Off-Balance-Sheet Risk**

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The majority of the Company's transactions with off-balance-sheet risk are short-term in duration.

# **NAFA Capital Markets, LLC**

## **Notes to Financial Statements**

**December 31, 2011**

### **6. Concentrations of Credit Risk**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The company has five customers who make up 70% of its gross revenues. If these relationships are terminated the Company may be exposed to risk.

### **7. Operating Lease**

The company has entered into a non-cancelable operating lease agreement for its offices. Rental expense for the year was \$45,360. Future minimum lease payments required under the lease are as follows

2012	\$45,452.48
2013	\$47,272.28
2014	\$15,848.52

### **8. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2011, the Company had net capital of \$304,584 which was \$204,584 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital ratio was .0439 to 1.

The Company is exempt from the Securities and Exchange Commission Customer Protection Rules (SEC Rule 15c3-3), which relate to reserves and custody of securities, under section (k)(2)(ii) of this rule.

**Supplemental Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
as of  
December 31, 2011**

# NAFA CAPITAL MARKETS, L.L.C.

## Schedule I

Computation of Net Capital per Rule 15c3-1 of the Securities and Exchange Commission

As of December 31, 2011

### Computation of Net Capital

Total ownership equity qualified for net Capital	\$ 333,843
Add	
Liabilities subordinated to claims of general creditors allowable in	-
Total capital and allowable subordinated liabilities	<u>333,843</u>

### Deductions and/or charges

#### Non-allowable assets

Accounts receivable	\$ -
Prepaid Expenses	5,091
Deposits	493
Other assets	3,415
Furniture, equipment and leasehold improvements	<u>20,260</u>
	29,259

Net capital before haircuts on securities positions	<u>304,584</u>
---	----------------

Haircuts on securities (computed, where applicable pursuant to Rule 15c3-1(f):

\$ -
<u>-</u>

Net capital	<u>\$ 304,584</u>
-------------	-------------------

### Aggregate Indebtedness

Items included in statement of condition	
Accounts payable / Accrued interest	\$ 13,374
Total Aggregate indebtedness	<u>\$ 13,374</u>

### Computation of Basic Net Capital Requirement

Minimum net capital required ( 6 2/3% of total aggregate indebtedness)	<u>\$ 892</u>
Minimum Dollar Net capital requirement of reporting broker or dealer	<u>\$ 100,000</u>
Minimum net capital requirement (greater of two minimum requirement amounts)	<u>\$ 100,000</u>
Net capital in excess of minimum required	<u>\$ 204,584</u>
Excess net capital at 1000%	<u>\$ 184,584</u>
Ratio: Aggregate indebtedness to net capital	<u>4%</u>

### Reconciliation with Company's Computation

There were no material differences in the computation of net capital under rule 15c3-1 from the Company's computation.

**Schedule II**

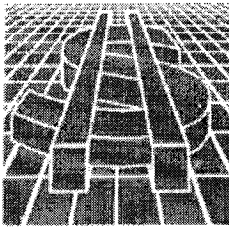
**NAFA Capital Markets, L.L.C.  
Computation for Determination of Reserve Requirements Under Rule 15c3-3 of  
the Securities and Exchange Commission  
As of December 31, 2011**

**Exemptive Provisions**

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(ii), in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.



**Independent Auditors Report**  
**on Internal Control**  
**Required by SEC Rule 17a-5**  
**Year Ended December 31, 2011**



*James Dee  
Johnson & Company*  
*Certified Public Accountants PC*

3608 NW 58th Street Oklahoma City, Oklahoma 73112  
voice 405.943.1272 fax 405.943.1315 email [taxquestions@jdlcpa.net](mailto:taxquestions@jdlcpa.net)

**Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5**

**Members**

NAFA Capital Markets, L.L.C.

In planning and performing our audit of the financial statements of NAFA Capital Markets, L.L.C. (the Company), for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control), as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and Comparisons, and the recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives.

Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

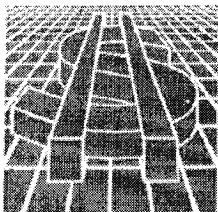
Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*James Dee Johnson & Company*

Oklahoma City, Oklahoma  
February 23, 2012



*James Dee  
Johnson & Company*  
*Certified Public Accountants PC*

3608 NW 58th Street Oklahoma City, Oklahoma 73112  
voice 405.943.1272 fax 405.943.1315 email [taxquestions@jdjcpa.net](mailto:taxquestions@jdjcpa.net)

To those in Charge of Governance of NAFA Capital Markets, L.L.C.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by NAFA Capital Markets, L.L.C. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating NAFA Capital Markets, L.L.C.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). NAFA Capital Markets, L.L.C.'s management is responsible for the NAFA Capital Markets, L.L.C.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, check register and in the general ledger noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers including trial balances noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers including trial balance and SIPC-7 support schedule supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*James Dee Johnson & Company*

Oklahoma City, Oklahoma  
February 23, 2012

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

**General Assessment Reconciliation****SIPC-7**

(33-REV 7/10)

For the fiscal year ended \_\_\_\_\_, 20\_\_

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

006746 FINRA DEC  
 NAFA CAPITAL MARKETS LLC 20120  
 100 N BROADWAY STE 2550  
 OKLAHOMA CITY OK 73102-9211

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2)

B. Less payment made with SIPC-6 filed (exclude interest)

7-18-11

Date Paid

C. Less prior overpayment applied

D. Assessment balance due or (overpayment)

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC

Total (must be same as F above)

H. Overpayment carried forward

\$ 3,734  
 ( 1,586 )

( 150 )

\$ 1,998

\$ 1,998.00

\$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

NAFA CAPITAL MARKETS LLC  
 (Name of Corporation, Partnership or other organization)

(Authorized Signature) JOHN E. FRYREAR

Dated the 15th day of FEBRUARY, 2012.

PRESIDENT

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 1-1, 20 11  
and ending 12-31, 20 11

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030;

\$ 1,553,706

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 18(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See instruction C):

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

60,305

\$ 1,493,401

\$ 3,734

(to page 1, line 2.A.)